

From: Mark Wilkerson [mailto:mwwpv@stelle.net]
Sent: Tuesday, December 03, 2002 5:34 PM
To: Hadjy, Pandor
Subject: comments on Section 9006 of the Farm Bill

December 3, 2002

Pandor Hadjy
Assistant Deputy Administrator
Business Programs, RBS,
Room 5050 South Agriculture Building, Stop 3220
1400 Independence Avenue, SW.,
Washington, D.C. 20250-3220,
Telephone: 202-720-9693.

RE: Section 9006 Implementation

To the Rural Business Service:

Sunwize Technologies, LLC, is a renewable energy product distributor, integrator and manufacturer with HQ in Kingston NY and sales offices in 10 states plus a distribution center in Oxnard, CA. SunWize is focused primarily on products that provide renewable energy for a customer's own energy consumption. We distribute products / integrate systems as small as .1 kW in capacity and as large as 100 kW in capacity, and we are active across the Midwest and America. We are pleased to see USDA moving forward with the process of implementing Section 9006 of the Farm Bill, and encourage the department to continue to do so as quickly as possible via either immediate rules or via a Notice of Funding Availability. We see several key opportunities for Section 9006, and we recommend the following types of projects as eligible for grants, loans and/or loan guarantees under the section.

1. "Wind Energy Cash Crop" Grants, Loans, and Loan Guarantees:

Farmers, ranchers, and rural small businesses should be able to apply for grants, loans, and loan guarantees for wind projects with a nameplate capacity between 70 kW and 10 MW. The primary purpose such a program is to support the development of wind projects where the owner seeks to market bulk renewable power through the electric distribution grid and where the wind energy production is therefore a "cash crop" similar to other farm commodities. Grants would not need to exceed 15% of the total project cost, and loans and loan guarantees may not exceed 50% of the total project cost.

We recommend support for such large "utility-scale" wind and solar projects because we believe this program of grants, loans, and loan guarantees can demonstrate practical business models for projects of this scale, as well as significant rural economic development benefits. Locally-owned projects in the range of 10 kW to 10 MW are very likely to use local planning and construction contractors and therefore maximize local economic development benefits. Furthermore, with existing incentive programs offered by states such as Minnesota, Illinois, New York, and California, the market for such projects could be scaled up very quickly. We do not, however, recommend support for

projects larger than 10 MW. Developers of projects larger than 10 MW tend to have access to capital and financial expertise that lower their need for financial support relative to smaller project developers such as FPS. Furthermore, projects much larger than 10 MW are likely to conflict with the definition of a rural small business as one with gross annual revenues of under \$1 million.

2. Distributed Generation Small-Scale Renewable Energy Projects:

Farmers, ranchers and rural small businesses should be able to apply for grants, loans and/or loan guarantees for wind, solar, and biomass gasification projects for projects up to \$100,000 in total cost. Grants shall not exceed \$25,000 under this subsection. The primary purpose of this subsection is to support the growth of renewable distributed generation projects serving the project owners' own electric load.

The primary beneficiary of such projects is likely to be independent farmers seeking to install small wind turbines and PV (solar electric systems) or hybrid wind and solar systems in the range of 1kW to 70 kW. Products offered by our firm that could benefit from appropriate program design include Power Ready Systems and Power Stations (see www.sunwize.com) . Such projects represent a significant democratization of energy production in America and should be strongly encouraged. The technology today is often not cost-effective in the absence of state or federal supports, but with larger production scales certainly could be cost effective, so we recommend support for such projects.

We'd like to thank the USDA for this opportunity to comment on the implementation of Section 9006, and look forward to the successful implementation of the Energy Title.

Sincerely,

Mark W. Wilkerson

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